Name of listed company: Chugai Pharmaceutical Co., Ltd. Code number: 4519 (1st Section of Tokyo Stock Exchange)

Head office: 1-1, Nihonbashi-Muromachi 2-Chome, Chuo-ku, Tokyo

President & CEO: Tatsuro Kosaka

Inquiries to: Masahiko Uchida, General Manager,

Corporate Communications Dept.

Tel: +81-(0)3-3273-0881

Name of company: Maruho Co., Ltd.

Head office: 1-5-22 Nakatsu, Kita-ku, Osaka

President & CEO: Koichi Takagi

Inquiries to: Takaaki Kawakami, General Manager,

Corporate Communications Dept.

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Chugai Transfers Rights to Maruho for Oxarol® Ointment 25µg/g and Oxarol® Lotion 25µg/g, Therapeutic Agents for Keratosis including Psoriasis Vulgaris, and Marduox® Ointment, a Therapeutic Agent for Psoriasis Vulgaris

TOKYO and OSAKA, January 30, 2019 -- Chugai Pharmaceutical Co., Ltd. (hereafter "Chugai") and Maruho Co., Ltd. (hereafter "Maruho") announced that both companies have entered into an agreement, under which from December 1, 2019 Chugai will transfer the relevant rights in Japan to Maruho for Oxarol® Ointment 25μg/g and Oxarol® Lotion 25μg/g, therapeutic agents for keratosis including psoriasis vulgaris, and Marduox® Ointment, a therapeutic agent for psoriasis vulgaris (hereafter "Products"). In Japan, Chugai obtained the manufacturing and marketing approval of the Products, and Maruho has marketed the Products exclusively.

The Products are topical formulations containing active vitamin D_3 derivative maxacalcitol as an active pharmaceutical ingredient, which was originated and is being manufactured by Chugai. The Products have been jointly developed by both companies since the launch of Oxarol[®] Ointment $25\mu g/g$ in 2001, and marketed exclusively by Maruho in Japan.

As of December 1, 2019, Maruho will succeed the manufacturing and marketing approval of the Products in Japan. Subsequently, Maruho will retain the rights for research, development, manufacturing and marketing of the Products. Maruho will continue to market and appropriately provide and collect relevant information for the Products, and will ensure there is a stable supply. As a pharmaceutical company specializing in dermatology, Maruho hopes to further contribute to patients suffering from psoriasis vulgaris through the succession of the relevant rights for the Products in Japan.

Chugai will maintain the manufacturing and marketing approval in Japan and continue to market Oxarol® Injection 2.5µg, 5µg, 10µg, therapeutic agents for secondary hyperparathyroidism. Chugai and Maruho will cooperate closely to achieve a smooth transfer of the rights for the Products.

The impact on the consolidated financials for the fiscal year ending December 2019 of Chugai is expected to be negligible.

About Chugai

Chugai Pharmaceutical is one of Japan's leading research-based pharmaceutical companies with strengths in biotechnology products. Chugai, based in Tokyo, specializes in prescription pharmaceuticals and is listed on the 1st section of the Tokyo Stock Exchange. As an important member of the Roche Group, Chugai is actively involved in R&D activities in Japan and abroad. Specifically, Chugai is working to develop innovative products which may satisfy the unmet medical needs, mainly focusing on the oncology area.

In Japan, Chugai's research facilities in Gotemba and Kamakura are collaborating to develop new pharmaceuticals and laboratories in Ukima are conducting research for technology development for industrial production. Overseas, <u>Chugai Pharmabody Research</u> based in Singapore is engaged in research focusing on the generation of novel antibody drugs by utilizing Chugai's proprietary innovative antibody engineering technologies. <u>Chugai Pharma USA</u> and <u>Chugai Pharma Europe</u> are engaged in clinical development activities in the United States and Europe.

The consolidated revenue in 2017 of Chugai totaled 534.2 billion yen and the operating income was 103.2 billion yen (IFRS Core basis).

Additional information is available on the internet at https://www.chugai-pharm.co.jp/english/

About Maruho

Maruho Co., Ltd. has its headquarters in Osaka and leads Japan in research and development, manufacturing and commercialization of dermatological products. Founded in 1915, Maruho has 1,512 employees (as of the end of September 2018), and net sales were approximately 78.57 billion yen in its fiscal year ending September 30, 2018. Pursuing its long-term corporate vision of "Excellence in Dermatology," Maruho is striving to improve the health and quality of life of people all over the world.

For more information, please https://www.maruho.co.jp/english

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